

# Litigation Funding



Quantum Global Solutions is an independent global construction support consultancy dedicated to supporting the construction industry to manage their projects and avoid disputes. British founded and managed we partner with many of the leading contractors, lawyers and employers around the world.

Our experienced teams, working across the the MENA region, Asia, Europe, Africa and the USA, provide contractual, commercial and planning support to construction teams with expertise in forensic delay, quantum analysis and the preparation of entitlement submissions for the resolution of construction claims and disputes.

As a leading industry specialist the Quantum team comprises over 120 industry specialists with experts in many fields including Chartered Engineers, Chartered Surveyors, Contracts/Commercial Specialists, Quantity Surveyors, Forensic Delay Analysts and Media Specialists. Our strong reputation around the world for exceptional quality of service is at the heart of our company's customer-centric focus.

Quantum is regulated by the Royal Institution of Chartered Surveyors (RICS) and is committed to setting and upholding the highest standards of excellence.



## Litigation Funding

Over the past few years litigation funding has developed to become an increasingly popular method for businesses to pursue claims that might otherwise have been left unrealised due to the costs of formally seeking a settlement through a formal dispute process including arbitration, court or treaty case. Litigation funding is not a new concept. It has been permitted in England and Wales since 1967, but until relatively recently it was limited to insolvency situations. Claim sizes often run into tens of millions of dollars, and in some cases the outcome of the judgment may threaten the survival of the company.





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Litigation can take several years and can tie up a company's liquidity for this period affecting their cash flow and balance sheet. For companies operating in a less litigious environment, and where significant actions are infrequent, the prospect of pursuing litigation, either as a claimant or a defendant, can be intimidating.



### What is Litigation Funding?

Litigation Funding, which is also known as legal financing or third-party funding, is the provision of financing one party in a litigation in return for a percentage of any benefits received by the litigant.

It enables a party to litigate or arbitrate without having to directly pay for it, whether because of commercial restraints or because they prefer to use their liquidity in other areas. The litigant obtains all, or part of, the financing to cover its costs to progress the dispute from a private commercial litigation funder, who has no direct interest in the proceedings. In return, if the case is won, the funder receives an agreed share of the proceeds of the claim. If the case is unsuccessful, the funder loses their money and nothing is owed by the litigant.

Funders understand that it does not always go according to plan and that it can often take both longer and cost more than anticipated. As Litigation Funding is becoming more and more popular, its availability is also increasing, with a number of sophisticated and well-resourced players in the market.

This financing tool provides a valuable means of access to justice for claimants who may not have funds available for costly yet meritorious claims. Litigation funding provides a cost-effective financing tool for claimants and there are significant advantages, both from a commercial and accounting perspective for a party that can secure funding.





#### Advantages of Litigation Funding

Perhaps most importantly, it is possible for the funded party to set aside the financial risk of pursuing a claim in return for sharing the returns. As a result of funding, the risk profile of pursuing litigation changes significantly and the company's cash-flow is less affected.

In addition, some funders, particularly those that employ experienced litigators, are able to offer a well-informed view as to the merits of the case, effectively providing guidance as to which lawyers and consultants are best suited to manage the case. Using the recommended and experienced lawyer and consultants, the claim submission will be comprehensive and fully substantiated maximising the litigation entitlement and chances of success. This can be particularly useful for companies with limited experience of litigation. Furthermore, using litigation funding will have a neutral impact on the cash flow of the company, whereas self-funded litigation has a negative impact on the financial statements.



#### The Process

The Litigation Funding model is rather simple involving little more than a third party investor paying the costs of pursuing a claim through to resolution. In engaging with a funder, the claimant gains access not only to financing but also to the funder's facilities and legal insights, which can make a significant contribution to the structure and development of the claim in question.

The funder pays the claimant's legal bills and consultant costs as they fall due including, in arbitrations, the institutional and arbitration panel fees. The funder does not control the way litigation is conducted.

If the claim succeeds, the investor receives a return on its investment paid from the damages awarded. If the claim fails, the funder loses the money it has invested.

Ultimately, the objective is for the claimant and the funder to bring the claim to a successful resolution and to profit from their mutual collaboration.

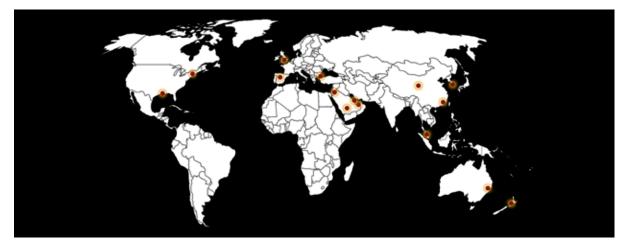
Quantum can assist you by:

- Providing the due diligence and independent validation of your claim.
- Supporting you in the pursuit of claims that may otherwise not be realised.
- Providing access to Quantum partnered third party funders who have a total committed capital in excess of three billion dollars.
- Ensuring the right funder is chosen to suit your needs.
- Providing access to our partnered leading global law firms and legal experts experienced in formal dispute proceedings and litigation funding.
- Working together and providing assistance to the chosen legal team throughout the entire litigation process.



#### **Global Operations**

Our dedicated team of construction professionals work in some of the world's major capital cities in the MENA region, Asia, Europe, Africa, Australasia and the USA, meeting our client's requirements and providing local experience and global knowledge.



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